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TRANSFORMING PERSONNEL ACCESSIONS: RECRUITING IN THE E-BUSINESS WORLD

BY

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ABSTRACT

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Electronic commerce now has many meanings to a variety of people. Electronic commerce--or the digital economy, refers to an economic system where service providers and consumers are aided by computers and the linking of computing technology that enable an entirely new method of conducting business. The United States Army Recruiting Command, as one of the largest sales firms in the world, is no different in its need to embrace electronic commerce.

In this newly defined world of business, it is vital to have an insightful understanding of this "Brave New World" and the next-generation information infrastructure. While there is no guarantee who will win or lose in this new world of commerce, the basic foundation for a totally unique manner in which the U.S. Army accessions new soldiers into the personnel pipeline has been laid, and so has the stage for a transformation of the recruiting business.

This paper introduces readers to the underlying economic aspects of the electronic marketplace in order to provide them with an understanding of the fundamental implications of technological developments, business strategies and policies. This will lay the foundation for the development of radically new business models that will greatly affect the manner in which the United States Army procures enlistments.

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Over the last decade, thousands of companies have established customer relationship management initiatives. Unfortunately, in most cases, the results have not met expectations. The shortfall has been caused by many factors: failure to take a holistic approach; inability to coordinate customer interaction and information across multiple channels; and a shortsighted focus on technology and implementation time. What business leaders and management consultants now appreciate is the complexity of the task-cultivating deep relationships, loyalty and value with a unique set of customers requires a major *transformation* in how companies work.

—Professor Geoff Helt, Center for Customer Insights, The University of Texas

This paper will analyze and discuss the underlying economic aspects of the electronic marketplace in order to provide the reader with an understanding of the fundamental implications of technological developments, business strategies and policies. This will lay the foundation for the development of radically new business models that will transform the manner in which the United States Army procures enlistments.

To "transform" any process, whether it is for profit business or supply chain logistics, a thorough understanding of the current procedure is required. In 1975, the United States government chose to change the makeup of its military from a mixed force of volunteers and conscripted soldiers to a purely voluntary force. This all-volunteer force required an organization tailored to procure human resources. The mission of this organization, known as the United States Army Recruiting Command (USAREC), is to recruit qualified persons for the Active Army and the US Army Reserve (USAR).[1]

This research looks at many different aspects and opinions of the new digital economy, with differing points of view that by design will not necessarily agree. On the contrary, the general theme of the research is what is important. The world economy has become digital. How different organizations are coping with that digitization is where the strength of this research lies. However, the overarching theme remains intact, the United States Army's

executive agent for personnel procurement must transform itself in order to stay competitive in the digital, eBusiness, or eEnterprise (or whatever term is in vogue) age.

DISCLAIMERS

THE DIGITAL DIVIDE

A thorough analysis of any transformation of the recruiting business to a digital model would be lacking if the "digital divide" were not addressed. There is clearly great debate as to the future of technology and who will have access to it. Research establishes that within the next 20 years, almost all of America will be on the digital side of the digital divide. However, there is clear and comprehensive research that indicates differently as well. Today, there is clearly a digital divide and it tends to be along socio-economic lines.

> The significant finding in 1999's Defining the Digital Divide was that the digital divide had continued to grow despite an overall rise in Internet and computer access. Specifically, FTTN3 identified a growing gap between those at the highest income levels and those at the lowest. Additionally, Blacks and Hispanics trailed even further behind Whites and Asians in their levels of PC-ownership and online access. Finally, the 1999 report found that poor rural households had replaced poor central city households as the least connected group of Americans.[2]

This issue plays significantly into the recruiting business given that a disproportionate number of minorities, who are currently on the wrong side of the digital divide, are annually assessed into the Army. At the same time, there are clearly opinions that say the digital divide is disappearing. Richard P. Bagozzi and Paul Dholakia state:

> But with the shift in the user profile from homogeneous academic or high-income users to the more eclectic mainstream consumer, these tenets have become somewhat less accentuated in consumer acculturation of DEs.[3]

The digital divide clearly impacts any transformation to an eBusiness, eEnterprise, and eCommerce etc. model for recruiting. This research will not assume the digital divide challenge away. However, for purposes of this research the digital divide will be a back burner issue to be addressed in different research marketing research.

ABOUT THE RESEARCHER

The following research is based on more than just simple library and Internet searches. The researcher has spent nine years in the United States Army Recruiting Command. The first half of those years was as a Recruiting Battalion Operations Officer, and the second half as an Operations Research/Systems Analyst (ORSA) in the Program Analysis and Evaluation (PAE) Directorate of the United States Army Recruiting Command. Upon leaving the Recruiting Command in 1996 the researcher spent almost five years in the Pentagon as an ORSA. That time was divided between working in PAE, The Office of the Chief, Army Reserve, and the Resources Directorate, Office of the Deputy Chief of Staff for Personnel. The researcher is not a "subject matter expert," but has spent the last 14 years working directly in the business of recruiting and determining resources for manpower programs. These fourteen years as a Captain, Major, and Lieutenant Colonel, have provided the researcher with invaluable experience. There will be several assertions made throughout this research. These assertions are based on analysis of the quoted research as well as the experience stated. The researcher's goal is not to have the reader agree with every point or argument. On the contrary, at the end of the paper if the reader says, "I do not agree with everything, but at least we ought to think about..." then this research has been a huge success.

BACKGROUND

The history of the volunteer Army of today can be traced to President Richard Nixon. After entering office in 1969, President Nixon directed then Secretary of Defense Thomas S. Gates to form a commission to study the feasibility of an all-volunteer force to replace the conscripted armed forces. The Gates Commission outlined the positive aspects of an all-volunteer force with the main focus as follows: "They (the commission) predicted that all volunteer forces would be more economical to maintain and more equitable in selection procedures than those utilized by draft boards across the nation."[4]

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Recruiting is the first step in the personnel life-cycle management business process. The process is about convincing 17-21 year olds that are morally, mentally and medically qualified to join the United States Army or Army Reserve. This is a Herculean task under ideal circumstances. Countless scholarly works have been written on the difficulties in recruiting an all-volunteer force. Citing one of many, Lieutenant Colonel (then Major) Rick Ayer gives an excellent summation as of 2000:

> The major difficulties facing recruiting are changes in the recruiting environment. A booming economy has led to significant growth in civilian jobs, record low unemployment, and increased competition for youth. Changes in the socio-cultural environment have increased the percentage of youth continuing to college to the highest rate in history, while the desire to join the Army has reached its lowest point since 1979. These environmental changes do not mean that the Army recruiting mission is impossible, but do suggest an explanation as to why the strategies of the early 1980s are not sufficient to overcome the difficulties today. While the recruiting environment was changing at a dramatic pace, Army recruiting was focused internally, on downsizing and the post-Cold War era, and it failed to make the necessary changes to its own organization and recruiting system to ensure continued success. The strategy failed because the system meant to monitor the recruiting environment and make necessary strategic, operational, and tactical changes failed.[5]

LTC Ayer has illuminated an outstanding point central to this research.

The entire recruiting system is based on the Army's needs for new enlistees. The Army is trying to attract the best and brightest the nation can afford into its ranks. The nation's best and brightest are going to Harvard and Texas A&M, not enlisting in the Army. Inducements include monetary enticements tied to a future college education, and invaluable skill training that could not be gained in the private sector without great personal cost. The Army bestows this invaluable skill training while providing full pay and benefits. How this "apprenticeship" program rates with other like programs in the country is debatable. The marketing challenges of recruiting an all-volunteer force again is outlined well by Ayer:

> The marketing concept stresses that focusing on the needs of the "customer" is what breeds' success. The Army currently focuses on its needs and fails to focus first on the needs of the youth. Yankelovich Partners, the leading research company on generational marketing in America, conducts extensive surveys and focus groups on youth. They have learned that the generation of youth the Army is currently recruiting is the most market "savvy" of any generation in history.[6]

RECRUITS AS CUSTOMERS

The business media has awakened to the potential of customer experiences. What was once an invisible, unrevealed asset is now on almost everyone's radar screen. Unfortunately, many of the anecdotes used to define this emerging trend promote the simplistic impression that managing customer experience means creating entertainment. This is not the case. Customer experience management is much more complex and holds far greater potential for gaining a competitive advantage than a superficial and misleading association which entertainment implies. In fact, Bill Gates, the founder and CEO of Microsoft Corporation, feels that the digital world is the optimum way to manage corporations in the 21st century. In his book, Business @ the Speed of Thought, Gates writes that there is absolutely no reason why customers (potential Army recruits) cannot share in the Army's message. Note the following:

> The successful companies of the next decade will be the ones that use digital tools to reinvent the way they work. These companies will make decisions quickly, act efficiently, and directly touch their customers in positive ways. I hope you'll come away excited by the possibilities of positive change in the next ten years. Going digital will put you on the leading edge of a shock wave of change that will shatter the old way of doing business. A digital nervous system will let you do business at the speed of thought-the key to success in the twenty-first century.[7]

The United States Army sells itself to potential recruits. The question is what distinguishes the Army from its potential competitors? The answer is the customer's whole experience of learning about, selecting, and purchasing the product known as the United States Army or Army Reserve. Recent research by neuroscientists and marketing academics confirms that a future purchase (i.e., customer loyalty) is more a result of how customers feel about doing business with the vendor than what they may think about the product. Therefore, experiences are what customers highly value. More importantly, and the thesis of this paper, is that the recruiting experience is what is valued by a potential recruit. According to Michael Dell, CEO of Dell Computer, the Internet (or the digital commerce experience) should be an enabler, as

opposed to a substitute, for customer relationship management. Bill Gates, a direct beneficiary of Dell's success states, "Michael Dell characterizes the direct business today as different combinations of face-to-face, ear-to-ear, and keyboard-to-keyboard. Each has its place. The Internet doesn't replace people. It makes them more efficient."[8] This position by Dell is the key to success for the future of Army Recruiting. Recruiters (the professional sales force) will be in a position to leverage their newfound ally in the digital commerce world. Dell feels that, "moving routine interactions to the Web and enabling customers to do some things for themselves, we've freed up our salespeople to do more meaningful things with customers."[9] However, at the same time, the recruiters of USAREC are burdened with excessive paperwork and a very hierarchical bureaucracy. They, the recruiters, simply do not have the time to view recruits as true customers.

THE CONCEPT OF ZERO-TIME

"Zero Time" means being able to fulfill your customers' needs instantly.[10] The recruitment of 17-21 year olds to join the United States Army or Army reserve is definitely not a "zero time" process. The question is could it be or, more importantly should the process be zero time? The answer is probably not, because the decision to purchase the Army is a huge personal emotional commitment as opposed to the daily mundane decisions that a 17-21 may make. However, transforming Army's recruiting process to a totally or near totally digital solution should be examined. Note the following:

> In the past several decades, companies such as Wal-mart, FedEx, Dell Computer Corporation, and Cisco Systems have been growing at astounding rates by offering customers instant response. These companies are focused on time. In the book Competing Against Time, authors G. Stalk and T. Hout found that time based companies such like these were able to respond to customers at least 60 percent faster, grow 3 to 4 times faster, and have at least double the profit advantage over their nearest competitors. These elite companies recognize the importance of time as a key competitive advantage in the digital age.[11]

This evidence clearly focuses on physical product companies, and this research is making the assumption that the purchasing experience is the common link. The Army still employs over 6,500 salesmen and women in several hundred storefront recruiting stations around the world. Further, the Army spends over $203.5 million per year on a national advertising campaign. The sales process is cumbersome at best. This is exactly the antithesis of a zero time process. Note the following:

> Time is at the core of the digital business world. Successful companies understand how the time imperative can translate into market opportunities. FedEX knows that its customers will pay a premium to ensure that their delivers arrive on time. Progressive Insurance understands that its customers value its instant settlement policy. Dell recognizes the advantage of a "build to order" manufacturing process that guarantees product delivery within five days of placing the order. Intel and 3M, among others, see the value of "time pacing" whereby product lines are turned over very quickly to keep pace with developing technology and customer expectations.[12]

More importantly, a "Zero Time company requires Zero Time managers who understand that total customer satisfaction and instant fulfillment are the keys to success."[13] Of course, if customer satisfaction and instant fulfillment are the keys to success then "Zero Time" is the first supporting point of the thesis of this research.

GAINING CUSTOMER VALUE

Gaining customer value is an area of research that is limitless in evaluating how a customer values his/her purchasing experience. The first step is to evaluate how a "seller" views a potential client. The USAREC is selling the product known as the United States Army/Army Reserve to potential recruits. What level of insightfulness does the USAREC have into its potential customers? Or better stated, what does USAREC truly know about its customers? Obviously, USAREC has tremendous demographic information about the recruits they access. How does USAREC leverage digital technology to gain insightfulness? Marriot

International, the world's largest hospitality company figured out the Internet could do more than

make simple reservations.

> Marriott personalizes its Web site services for each and every visitor. The site is not just a static list of links to static lists that users have to wade through. All of the information is kept in a database and is presented to the site visitor according to the visitor's search criteria. Because the back-end software is dynamically adapting the site as a session goes on, every visitor has different experience on the Marriot site, one that speaks to his or her interests.[14]

To what degree are the customers of Army service loyal? In this case, loyalty does not

mean repeat enlistments like customers returning to Walmart. Customers of Army service

speak highly of their purchasing experience. Again, the issue of customer support comes into

play. David J. Reibstein of The Wharton School says:

> When the likelihood of purchasing from the same merchant was correlated with the performance rating, the attribute that had the highest correlation with repeat purchase was the level and quality of customer support...In other words, if the customer was very satisfied with the level of customer support, there was a high likelihood that the customer would return.[15]

The Reibstein definition of customer support means customer relationship management

or, as this section of the research calls it, customer value. The following provides a template in

which any corporation can begin to define "customer insight:"

CUSTOMER INSIGHT → BUSINESS DESIGN → CUSTOMER VALUE

Level	Description
Leading	Anticipating customer needs in advance
Real-time	Customer information at point of purchase
Integrated	Unified view of historical customer information
Chaotic	Lack consistent data on customer
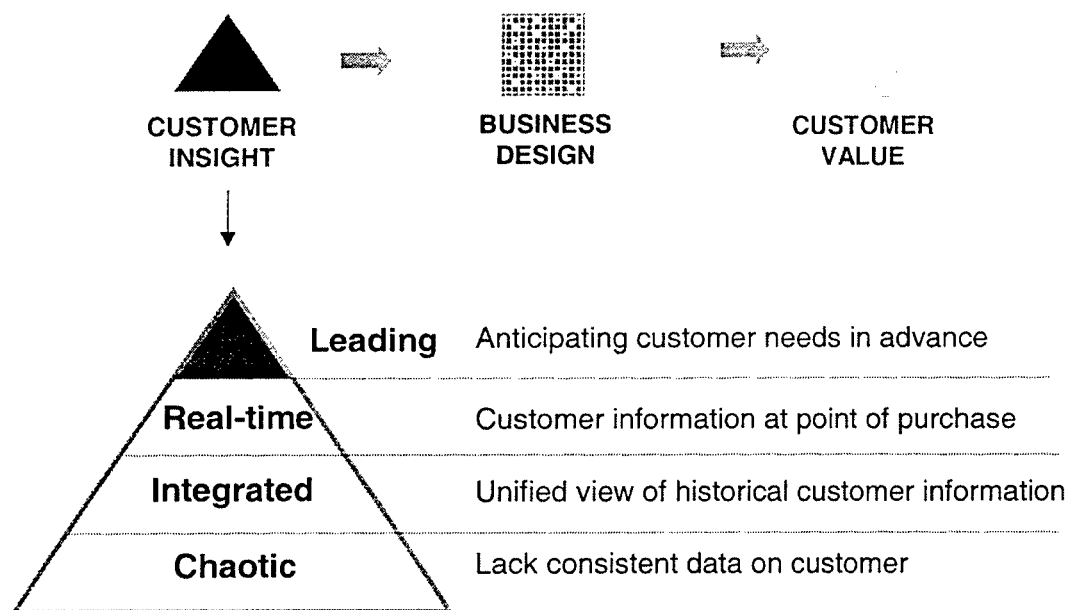
Professor Geoff Helt, Red McCombs Business School, University of Texas

FIGURE 1 LEVELS OF CUSTOMER INSIGHT

This graphic shows a hierarchical design that leads to true customer value. The four levels depict levels of customer insight with the pinnacle representing the greatest level of customer knowledge. Once the highest level is achieved, the business process can be designed around achieving customer value. This graphic is simply showing a progression, translating customer needs into innovations and programs that create value and drive change from the customer through the company.

The USAREC does a truly outstanding job of determining the needs of the U.S. Army and Army Reserve. However, can the USAREC say that it delivers true value to its potential customers? Some will argue that it does not and really should not. In fact, the Army exists to defend the nation and fight wars. Therefore, why should the Army really care about how its "potential customers" feel? Further, whether or not a potential customer becomes a member of the U.S. Army or Army Reserve should not matter either. This issue is about perception in the market place.

COMPLEMENT OR CANNIBALIZE

The USAREC has four levels of management between its Commanding General (Chief Executive Officer) and its recruiters (sales force). The USAREC operates 1,657 recruiting stations around the world with the majority located in the United States. The command has over 6,500 recruiters selling a term of enlistment in the U.S. Army and Army Reserve. Add to these facts a yearly national advertising budget of over $203.5 million, and the enlisted personnel procurement for the Army is a relatively expensive proposition.

This research is not about determining whether or not these resources are the "right mix" in terms of procuring enough men and women to fill the ranks of the Army; this research is about the customer experience and how well USAREC delivers that experience. The customer experience in terms of accessing new enlistees is about how all of the tools at USAREC's disposal interact with its potential customers. This research cannot conclude that every customer, whether they are buying tires, a new car or making a decision to join the United States Army is looking for a purchasing experience. However, this research can conclude that the purchasing experience is an important factor in the purchasing decision. As the Internet grows and defines the digital economy, the USAREC needs to incorporate digital advances with its current business processes. In an article for the Harvard Business Review, Michael E. Porter argues the point about the need to incorporate such advances as a compliment to an overall strategy:

> Many have argued that the Internet renders strategy obsolete. In reality, the opposite is true. Because the Internet tends to weaken industry profitability without providing proprietary operational advantages, it is more important than ever for companies to distinguish themselves through strategy. The winners will be those that view the Internet as a complement to, not a cannibal of, traditional ways of competing.[16]

Porter views the digital age as advantageous to the customer in some cases. USAREC needs to transform its business process to compliment its sales force with the latest technological advances. Note the following thoughts from Porter's perspective:

> Some technological advances will provide opportunities to enhance profitability. Improvements in streaming video and greater availability of low-cost bandwidth, for example, will make it easier for customer service representatives, or other company personnel, to speak directly to customers through their computers. Internet sellers will be able to better differentiate themselves and shift buyers' focus away from price. And services such as automatic bill paying by banks may modestly boost switching costs. In general, however, new Internet technologies will continue to erode profitability by shifting power to customers.[17]

At this point it is important to address "profitability" in USAREC. USAREC, at the end of the day, is still a military organization with a mission to support the National Military Strategy. It does not, per se, turn a profit in terms of dollars and cents. Therefore, "eroding profitability" in terms of Porter's position is not really relevant to USAREC's operations. USAREC should, in a time of very tight fiscal constraints, be exceptionally prudent with the taxpayer's resources. However, USAREC's bottom line is, and will always be, its ability to meet its accession mission. Therefore, shifting power to the customer should be paramount to improving the recruiting experience for USAREC's potential customers. The support for this assertion lies in the hierarchical graphic depicting the level of customer insight. This is not only a transformation of the business processes currently utilized, but also a transformation of a mindset as well within the USAREC community, which includes senior level decision makers that resource USAREC.

CUSTOMERIZATION

Does the "old way" still work? The short answer is yes. U.S. Army recruiters still talk to 17-21 year olds about joining the Army and Army Reserve. Some of those 17-21 year olds actually join the Army or Army Reserve. However, the "old way" may not be the most efficient or effective in the emerging e-Business, self-help/customer centric world.

The new e-Business digital world infrastructure is forcing most companies to rethink and retool the way they do business. Most importantly, most companies are finding new methods to compete effectively with **BOTH** physical and virtual marketplaces. However, at the same time, many companies are marking time as they move from one management fad to another, always unsure of the correct answer to the marketing quiz. In terms of "customerization," customers want instant gratification.

> They want it "free, perfect, and now," as Marshall Industries CEO Robert Rodin describes in his book of the same title. Customer relationship management is not enough. Zero time companies need discipline of Instant Value Alignment. In today's digital world, customers are more fickle, and their loyalty is won or lost on each transaction. Regardless of the current size of the company's market share, customers can be easily be lured away by more clever and responsive competitors in the next transaction.[18]

How does a corporation such as USAREC provide instant gratification? The answer possibly lies in looking at "me."

IT'S ALL ABOUT ME

The Army's new advertising campaign is based on its new slogan (brand): an "Army of One." There is a great debate within the Army of whether or not this was a good idea. John Leo, in an article in U.S. News and World Report, did an outstanding job of laying out the debate as follows:

> After 20 years, the Army is dropping its famous recruiting slogan, "Be all you can be." Guess which of the following is the new slogan: a) One man, one Army; b) An Army of one; c) Your Army thinks you're the one; d) One place for you is the Army; e) Hey, we have only one Army! The answer, of course, is b. "An Army of one" is an odd contradiction in terms, and it may be too mystifying to make anyone dash to the nearest enlistment center. But the Army has a problem. It missed its recruiting goals in three of the past six years and barely met them in the other three. The economic boom is a factor, draining off many potential recruits. But the real difficulty is the mind-set of the 18-to-24-year-olds targeted for enlistment ads. They think of soldiers as "nameless, faceless people in green uniforms crawling through mud," said an Army PR man. The Army churned up a lot of research on young adults by the Rand Corp., Yankelovich Partners Inc., and McKinsey & Co. On the basis of the findings, many of them already well known, the Army apparently concluded that the current generation of young

people is so individualistic, so resistant to authority and rules, that it has to market military life as the natural home of the freewheeling, unfettered spirit. Soldiers have to follow orders and work for group cohesion. They also have to risk getting shot at from time to time. Selling this to the young as the freedom of the independent self is no easy task. But the research was sobering. Even "Be all you can be"--a me-generation slogan entirely about self-actualization--was widely perceived as too authoritarian. "Kids don't like it," said Ray DeThorne of Leo Burnett, the ad agency that produced the "Army of One" campaign. "They say it's the voice of their parents telling them what to do." No orders, no guns. J. Walker Smith of Yankelovich says: "The problem is, how do you attract people who want to be free agents?" By selling a sort of implied and ambiguous free-agency within the Army. Research shows that young adults want to feel connected and they want to be part of something bigger than themselves. But they don't want to yield their freedom. So authority figures are absent from the ads. Officers and orders apparently don't exist. Instead, young soldiers talk about how independent and strong the Army makes them feel. In one of the first TV ads, a soldier is seen running alone through a vast desert. "I am an army of one," he says. "Even though there are 1,045,690 soldiers just like me, I am my own force. The might of the U.S. Army doesn't lie in numbers; it lies in me." In another spot, an "imagery group station operator" is presented as a sort of independent contractor, making his own decisions about dispatching Apache helicopters on the spot. A future one will feature a lone Hispanic American soldier helping a child after an earthquake in a Latin American nation. Louis Caldera, secretary of the Army, says of young people, "What we are telling them is that the strength of the Army is in individuals. Yes, you're a member of the team and you've got support from your fellow teammates, but you as an individual make a difference." Bob Garfield, an ad critic for Advertising Age, has a different view: "It's a clever campaign, but substantially dishonest. The Army is not, never has been, and never will be about one soldier. Individuality has absolutely nothing to do with Army life." Normally, new Army TV ads are unfurled during the Super Bowl, but "An Army of One" debuted last week during the sitcom Friends and is scheduled to run on The Simpsons and Buffy the Vampire Slayer. The announced reason is that these shows mostly attract the young, while the Super Bowl is watched by millions who are too old for the Army. But there's another reason: The Super Bowl features macho males, while the Clinton administration has been working for a gender-fair, androgynous Army that seems to downplay aggressiveness and bravery as too macho. (Even weapons may carry a new stigma. So far, no soldier has been shown carrying a gun in the "Army of One" ads.)[19]

It is important to discuss the Leo article in terms of the "me" generation because "me" is what the customer and purchasing experience is all about. Appealing to the narcissist side of human behavior may just be the key in the purchasing experience. If "the recruiting experience is what is valued by a potential recruit," then the experience a potential recruit has with the USAREC has must be about the recruit (customer). In The Attention Economy by John C. Beck and Thomas H. Davenport, the authors talk about a principle based on narcissism being a

powerful factor in focusing individual attention. The main thrust of the book is that the truly successful companies in the world are going to be those who capture the attention of their customers (as well as those employees who serve those customers). Again, this assumes that a customer is selfish in that they are looking for an experience as opposed to a good or service. "One way in which humans differ from other primates in their attention psychology is the glorification of the self. Sure, apes can be caught grooming themselves in the mirror, but no species compares to *Homo sapiens* in the importance of me, me, me."[20] Is it safe to assume that someone wishing to join the Army is no different than any other human being? Of course the answer is "yes" given that so few people (relative to the population as a whole) join the Army. However, Beck and Davenport continue with the "me" theory:

> Perhaps this was always true (the "me, me, me" society), but we'd argue that human beings have become increasingly narcissistic in recent years. So does sociologist Charles Derber, in an interesting book called *The Pursuit of Attention.* Derber feels passionately that mass culture and consumer capitalism have led to an inordinate desire for individual attention. In his view, this is a highly destructive trait. We can't even carry on a conversation anymore, he argues, because people only want to talk about themselves.[21]

If Derber is even somewhat correct, then the consumer of any product is looking for more than just the material object, but also a feel good experience. At this point, the thesis of this research and Beck and Davenport converge.

> Derber is undoubtedly right that people are narcissistic, and probably right that it is destructive. But we're both realists, not social critics. How can an enterprising individual take advantage of the narcissistic nature of his or her peers? The answer is somewhat paradoxical. If you want to get any attention you've got to give attention. To get a person to pay attention to your information, the information has to be about that person.[22]

Hence, the new advertising campaign an "Army of One" which was addressed in the John Leo article in U.S. News and World Report previously quoted. However, that does not address the issue of customer experience totally. USAREC must continue to strive in every way possible to focus all efforts to the experience of the purchase.

> As much as possible, the theme has to be, What's in it for me? How does this information tell me what I need to know? How is it tailored to my situation? If a

message sheds new light on that most fascinating of subjects—me—then I will probably find it fascinating.[23]

And therein lies the reason for this research: USAREC must be about transforming itself to be about its customers and the Army must come second.

CUSTOMIZATION AND INSTANT VALUE

If it is all about "me" and the experience is what truly counts, then reaching individuals as opposed to the masses is key in an attention economy. If the Marriott Hotel chain (previously discussed) can customize its web site to an individual user, then can the Army customize its web pages to potential recruits during the recruiting (sales) process? The answer is why not.

> We've pointed out that a key principal for attention management should be "It's all about me." One application of this principal involves using technology to customize the information presented to each individual. The "mass customization" of information is most familiar on the Internet, but can involve other types of technology as well. Even the lowly ATM should be able to remember (but usually forgets) what language you prefer for your financial affairs and how much cash you typically extract.[24]

If the Army were truly a value-based organization, it would have information on every potential recruit already stored in a database at the ready when a "hit" occurs. Of course, as a government agency, the Army could not legally or ethically acquire private information about potential applicants given their age and privacy laws. However, the Army can utilize commonly accepted and legal techniques for acquiring as much information as an applicant is willing to disclose. What is the function of the USAREC? Simple, "Recruit persons from civilian life in CONUS and overseas areas of responsibility; determine whether they satisfy Army enlistment qualifications; and enlist qualified applicants in the Active Army and USAR.[25] The complication is, once again, meeting the needs of those "qualified applicants." Meeting the needs of a customer is nothing more than creating value during the buying experience, which of course, is much easier, said than done.

Instant Value Alignment companies excel because they see clearly the next wave of customer trends, which affords them the time to invest in core competencies. Developing these core competencies subsequently enables them to align instantly with customer values, to offer products and services to match these values. Instant Value Alignment companies focus on developing those competencies that support their mission of understanding and delighting the customer; these include dialoguing and collaborating with customers, to ensure a memorable experience, and building customer communities of value.[26]

So, is the "GoArmy.com" website the answer to any and all recruiting challenges? The answer is "not quite" if the main intent is to gain and keep customer attention. The least amount of thinking on the part of a potential recruit may be the answer the Army is looking for to enhance the customer experience. This does not mean the Army is or should be looking for "weak thinkers." However, the Army is selling a product to potential recruits, and it should attempt to shape its image. This not only includes a website, but also any medium in which the Army sends its message to potential applicants.

If you're seeking attention for your information, go the extra customization mile. Don't send generic, broadcast messages unless you absolutely cannot personalize them, and recognize the consequences: that the messages probably won't be attended to. Build information systems that customize the information they present to each customer—without asking for a lot of the customer's attention in the customization process.[27]

RECRUITER IS STILL THE KEY

At absolutely no point in this research has it been determined that the individual recruiter is not the key to the customer experience. On the contrary, the recruiter has been and will always be the main piece of the customer experience as evidenced in previous citations. However, how the individual recruiter leverages technology to his or her advantage in the purchasing experience is paramount to success. Note the following passage to support this claim:

For personalized marketing to get attention, it will have to include both human intimacy and industrialized intimacy. Computer-based loyalty programs and analysis of electronic transactions must be used to identify those customers who warrant individual attention from real people. The combination of human and

technical approaches can make attention-getting personalization both affordable and effective.[28]

How the individual recruiter is managed and led, as well as the tools he/she is given, is the key to individual success. The recruiter is the undisputed leader in delivering the customer experience to an individual customer (prospective recruit). One of the biggest public corporations in the world is General Electric (GE). General Electric employs 313,000 people.[29] The Army employs 480,000 soldiers (as well as 205,000 reservists). Empowering GE employees is one of the great accomplishments of its recent CEO, Jack Welch. When Welch took over in the early 1980's, GE was eerily close to what USAREC is today. USAREC has four levels of management between its CEO and the individual recruiter. Each level of management has a staff with copious amounts of data with the sole purpose of informing the individual recruiter about how well he/she is succeeding.

> Undaunted by these inauspicious circumstances, Welch leapt to the challenge, and eventually transformed GE into a lean, agile, global company ready to compete in the information age of the twenty-first century. GE, which now prides itself on speed, simplicity, and boundarylessness, has number-one ranking businesses in 10 world markets, from traditional industrial motors to television broadcasting (with NBC and CNBC). The company's assets and market value have soared to nearly $300 billion on more than $90 billion in sales.[30]

Under Jack Welch, GE recognized that its greatest assets were its employees and empowering them in the digital economy was not only good for GE but also great for the customer experience.

> The final leg of our three-prong e-Business strategy is the Sell-side initiative, focused on driving e-Business growth and generating productivity by providing customers self-service transactional capabilities. This customer-centric e-Business strategy digitizes key processes and transitions customers to Web-based purchasing and service options while enhancing their productivity and overall satisfaction.[31]

The GE model should be at least examined by USAREC for its possible implementation. In the final analysis, GE simply realized that it needed to transform itself into a digital company and adopt the Internet revolution. As one of the largest companies in the world, GE transformed itself into a nimble, quick, and flexible entrepreneurial company.

At the beginning of 1999, GE's level of engagement on the Sell-side was minimal. Many businesses had Web sites but few had transaction areas where customers could actually purchase and/or interact with GE customer service teams. Just 12 short months later, the entire Company had transitioned to an online transaction model. Today's focus on Sell-side initiatives is: Attract new customers through Web offerings, migrate existing customers to the Web and grow profitable customers by increasing share-of-business through new online business tools and services. As a result, we've grown our online transactions from $0 in 1998 to $1 billion in 1999 and over $7 billion in 2000. In 2001 we anticipate 15% of our total revenue will come from online sales.[32]

CUSTOMER EQUITY

Customer Equity's premise is straightforward: "the customer is a financial asset that companies and organizations should measure, manage, and maximize just like any other asset."[33] Given this definition of customer equity, should the Army's recruiting corporation be concerned about it? Unfortunately, from a business standpoint the USAREC views the Army and Army Reserve as its customer. In fact, a very persuasive argument could be made that the Army and Army Reserve are USAREC's only stockholders besides being a higher headquarters. However, the idea that the Army and Army Reserve is USAREC's customer is very debatable and probably incorrect. However, for argument sake this research will assume that USAREC's only customer IS a potential recruit wishing to enlist in the Army or Army Reserve. Further, it is also a safe "bet" to assume that the Army and Army Reserve are "stakeholders," which is the beauracratic equivalent of stockholder. Given this, it is essential to develop a management plan that leverages customer equity. Therefore, the management of customer equity will enhance the entire customer experience.

> Customer equity management is a dynamic, integrative marketing system that uses financial valuation techniques and data about customers to optimize the acquisition of, retention of, and selling of additional products to a firm's customer relationship throughout its life cycle. Although many of the concepts that underlay customer equity management (such as customer retention marketing and customer lifetime value measurement) are not new, the way that the customer equity approach unifies and moves beyond them is.[34]

Acquisition, retention and selling of additional products are what the recruiting experience

is all about. Finding applicants interested in joining the Army, retaining their interest, and selling

them on the Army product is what USAREC is all about.

Why should the concept of customer equity even matter? There has been an information

revolution that truly did not exist a generation ago when the Army first went to an all-volunteer

force.

> There are two fundamental reasons for companies to move to a customer equity
> approach. First, several critical new technologies are converging to make
> customer asset-based management feasible. Second, these same technological
> capabilities, along with other changes in how markets work in today's turbulent
> business environment, are making it a requirement to mange marketing to
> maximize the value of a company's customer assets.[35]

Is this the truth or can this theory be supported? The answer is yes because this research is

about transforming a business process. Most importantly, the answer is yes because evidence

has been presented that shows how technology can manage both the business process and the

equity investment in a customer. Furthermore, transforming a business process is not about

hiring, firing, and/or reorganizing only. Transforming a business process is about transforming a

mind set and breaking paradigms. Customer equity management has four basic cornerstones

as follows:[36]

- Managing the customer life cycle
- Exploiting the power of databases
- Quantifying customer value precisely
- Optimizing the mix of customer acquisition, retention, and add-on selling

All of this is nothing more than managing the customer relationship. By managing the

relationship, USAREC in fact is managing the customer experience.

DYNAMIC ORGANIZATIONS

Are "brick and mortar" organizations necessary anymore? Are the 1657 recruiting stations around the world vital to the recruiting effort? Digitization of the economy has created an environment where location and time are quickly becoming obsolete as evidenced by earlier citations. Organizations must transform to adapt to changes in the digitized world. In other words, an organization must become dynamic.

> In a dynamic organization, processes are extremely flexible and customizable to the situation because of the rapid change in markets, technology, and competition. A critical property of such processes is to be able to interface with complementary processes used by the organization's strategic partners to be able to react in a timely fashion to those changes without needing to create a formal organization before addressing a market.[37]

This research is about why USAREC must transform itself into a dynamic organization in the digital age. Dynamic organizations fully understand that there must be rules and procedures to operate by and live within. Those same dynamic organizations, and their procedures must be "lightweight and adaptable."[38]

USAREC should strive to be a market leader when it comes to customer interaction. The Army and Army Reserve are not USAREC's customers but rather stakeholders. USAREC's customers are the potential recruits to whom it is trying to sell a term of Army or Army Reserve enlistment. In a book entitled *Discipline of Market Leaders*, Michael Tracy and Fred Wiersema list three types of market leaders: operational excellence, product leader, and customer intimate companies.[39] The process of selling military service (for the Army) to a likely 17-21 year old is a "customer-intimate" process. Given that the selling of military service is about the customer, "the customer-intimate firm will deliver what the customer wants, and cultivates relationships not only with customers but also with other stakeholders..."[40] The bottom line is that customer-intimacy starts with an investment in customer relationships.

E-ENTERPRISE

The theme of this paper is identification of a modern E-business model for Army

Recruiting. Whether it is the Internet specific or the fact the digital economy is changing the way

society functions the entire "eEnterprise" system is the force that drives a dynamic organization.

> eEnterprise can be thought of as fuel for the dynamic organization. This organizational form is built on communications—between workers, workers/managers-coaches, customers, suppliers, and partners. This form's reliance on speed can only be effected by an improved form of communications. The Internet's pervasiveness and openness allow virtual organizations to be quickly formed and made productive.[41]

Technology is really the reason USAREC must transform itself into a customer-centric

organization. It is not that USAREC's business process is broken or wrong, but rather old and

cumbersome. The digital economy, or "eEnterprise" business, is more about speed and

efficiency, and less about brick and mortars.

> Assets live on the network: putting vital resources on the Net makes it easier for partners and customers to exploit those assets, making those stakeholders more valuable and thus their relationship to the dynamic organization.[42]

CONCLUSION

The United States Army Recruiting Command (USAREC) is one of the largest sales

organizations in the world, with a sales force greater than 6,000. This research examined the

latest technological transformations in the business world virtually in real time by citing several

examples of the digitized market place and its interface with customers. This research linked

the customer experience to the technological revolution in the business community. The

question still remains: must USAREC transform itself to create a recruiting experience that is

valued by its customers. My research showed that those companies and organizations that do

not get on the "digital bandwagon" will lose their respective market share to those companies

that put a premium on the customer experience. The recruiting experience is what a potential

recruit values. Most importantly, it is customer value through the advances of technology that

will separate the winners from the losers whether the business is selling airline tickets or a term

of service as a member of the United States Army or Army Reserve. Therefore, this research recommends the following:

- Assessment of the current campaign - Army of One & GoArmy.com, highlighting the good and the bad

- Focus squarely on the recruit as customer and how to create value with him/her

- How the Army needs to become a dynamic organization that can operate in zero-time

- Recruiter as key in making this happen - empowering the recruiter with new electronic/digital tools and technology to capture the customer

- Examine the key concepts used in the paper - e-business, zero-time, customer value, etc.

WORD COUNT = 7405

ENDNOTES

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